



Committee On Finance

Max Baucus, Ranking Member

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**Statement of U.S. Senator Max Baucus (D-Mont.)
Senate Finance Committee Hearing
Authorization of Customs and Trade Functions**

It had been a costly war. A revenue bill was on the floor. And one Member of Congress said: "We hear much said about taxes, about our funds being pledged to the public creditors; and about the national faith being violated"

The war was the War of 1812. The Congressman was John Randolph of Virginia. And the bill was the Tariff Act of 1816.

It was nearly 200 years ago. The Senate had just established this Committee, the Committee on Finance. And the very first thing that it did was to consider and pass that bill.

And that bill dealt with the duties of the United States Customs Service. We are here today to carry on that long tradition of overseeing Customs. We are here to discuss the customs and trade functions at the Bureau of Customs and Border Protection, the Bureau of Immigration and Customs Enforcement, and the International Trade Commission.

This Committee has many times considered legislation to authorize Customs' commercial functions.

In 1994, the Finance Committee authorized the National Customs Automation Program. Once fully implemented, that program will allow importers to file papers and pay duties electronically.

And in the wake of 9-11, the Finance Committee wrote the Trade Act of 2002. Among other things, that law requires shippers to file their entire cargo manifest with Customs 24 hours prior to loading the goods at foreign ports.

Customs has a difficult job. On one hand, it is responsible for facilitating international commerce. Our nation's economic health depends on it. Trade accounts for 1 in 10 American jobs. And trade accounts for a quarter of our economic growth.

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On the other hand, Customs must weed out shipments of counterfeit goods, illegal drugs, and instruments of terror.

An attack on our international trade system could cause untold pain and suffering. And it could also be economically devastating. The shutdown of a handful of West Coast ports in a 2002 labor dispute cost the economy a billion dollars a day.

To its credit, the Bureau of Customs and Border Protection has worked hard to adjust to the threat of terrorism while also discharging its historical duty to facilitate trade. Yet the pressure is tremendous to focus on security at the expense of trade.

I am concerned that, from personnel to ports, our Customs infrastructure may not be keeping pace with the growth in trade. The Bureau of Customs and Border Protection has added much-needed officers. But it has far fewer staff allocated to trade facilitation and enforcement today than it did 10 years ago.

This Committee should examine whether our port infrastructure can keep pace with the massive increase in shipments from abroad. But we also should examine Customs' strategies to push our borders out and collect information on cargo before it ever leaves a foreign port. That can make targeting of illegitimate or harmful shipments more effective. And that can ensure that the movement of legitimate cargo is more efficient.

When we think of international trade movements, we tend to think of enormous container ships. But there's more to trade than that. 300 trucks cross the border every day at the Port of Sweetgrass, Montana. That may not sound like much, but in Montana, we depend on those 300 trucks.

In Montana, we have a hard time getting and keeping experienced Customs personnel who know the trade coming in from Canada. States like mine need Customs and Border Protection to secure the Northern Border. But we also need Customs' solutions to work for small and medium-sized businesses reliant on cross-border trade.

I look forward to today's testimony. I look forward to the coming markup of legislation to reauthorize Customs. And I look forward to our continuing nearly 200 years of this Committee's work to balance the interests of trade and security in our great nation.

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